



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

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1594 West North Temple, Suite 1210
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801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

November 7, 1997

Jim Fain
All Gypsum Corporation
7601 Ribier Avenue
Lamont, California 93241

Re: Acceptance of Notice of Intention to Commence Small Mining Operations, Dry Creek Project,
S/021/026, Iron County, Utah

Dear Mr. Fain:

Thank you for your Notice of Intention to Commence Small Mining Operations, received by the Division on October 30, 1997. The application for the proposed Dry Creek Project, located in the Section 18, T36S, R10W, SLBM, Iron County, Utah is complete and no additional information is required at this time.

I appreciate the additional information you gave me on November 5, 1997 during our phone conversation concerning your proposed project development plans. It is my understanding that you will be testing the gypsum for its market value during the first (5 acre) development phase of this project. You indicated that you hope to reopen and improve the existing access road leading to the quarry area to perform some preliminary core drilling work before we lose the favorable weather conditions. Even though this is a previously disturbed area, you felt that a topsoil or revegetation variance would not be required. You stated that sufficient topsoil is present which can be salvaged and used for reclamation of the proposed five acre disturbance. You also stated that the information included in your permit application regarding Mr. York's eventual plans for development of a small housing sub-division will not likely occur unless a large mining operation is eventually permitted. Therefore, we will not consider those post-mining development plans and drawings as part of your initial small mine permit application.

For your reference, I have enclosed copies of our summarized rules regarding "Operation and Reclamation Practices," and the statutory penalty for failure to reclaim a minesite (SMO-1). Please give special consideration to item #10 of the "Operation and Reclamation Practices". Stockpiling topsoil material prior to beginning your mining operation will help ensure successful revegetation efforts upon final reclamation of the minesite. If the area being mined is a solid rock outcrop, or if the land surface is very rocky, then soil stockpiling is probably not possible. However, even the first few inches of undeveloped material is worth saving to aid in later revegetation efforts, and future regulatory release from reclamation requirements.

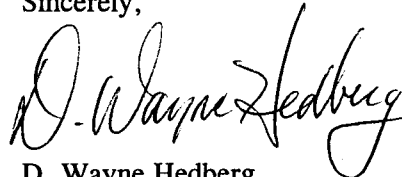
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Should you wish to expand your operation beyond the five (5) acre limitation, please notify this office as soon as possible to discuss the necessary permitting requirements. Approval of a large mining notice typically takes nine months or longer to process.

A Memorandum of Understanding between this Division and the State Department of Environmental Quality (DEQ) requires us to notify them upon receipt of a mining application. If you haven't already done so, you are advised to contact their office prior to starting your small mining operation to determine whether additional permits and/or approvals are required. We will forward a copy of this letter and your notice to the DEQ for their review. Their address and phone number is: Department of Environmental Quality, 288 North 1460 West, Salt Lake City, Utah, 84116, (801) 538-6146.

Thank you for your cooperation. I hope to perform an inspection of the mine site area sometime in mid to late November. I will contact you or Mr. York Jones to confirm a date beforehand. Best wishes with your mining operation.

Sincerely,



D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
Enclosure
cc: Kiran Bhayani, DWQ w/NOI
Roger L. Bon, UGS
Tracking File
S021026.noi



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FACSIMILE COVER SHEET

DATE: Nov. 7, 1997

NUMBER OF PAGES INCLUDING THIS COVER SHEET: 3

TO: JIM FAIN
ALL GYPSUM CORPORATION
7601 RIBIER AVENUE

FAX NUMBER: (805) 845-4343

FROM: WAYNE HEDBERG

Minerals Reclamation and Development Program

PHONE: (801) 538-5291

FAX: (801) 359-3940

SUBJECT: ACCEPTANCE OF SMALL MINE
PERMIT APPLICATION

REMARKS: Original copy of letter w/attachments
will be sent by regular mail on
Monday morning (11/10/97). Call
me at (801) 538-5286 if you have
questions or concerns.

Should you encounter any problems with this copy, or do not receive all the pages, please call

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